

### **REMARKS**

Claims 1-54 are pending. By this amendment, claims 3 and 14 are cancelled, claims 1, 11, 23, and 31-54 are amended, and new claims 55-57 are added. Support for the claim amendments and the new claims can be found at least on page 11, 15-24, page 13, lines 22-26, page 15, lines 20-22, page 24, line 27 to page 25, line 3, page 35, lines 5-15, and page 37, line 1 to page 38, line 2 of the specification and original claims 3 and 14. No new matter has been introduced. Reconsideration and prompt allowance of the claims is respectfully requested.

### **Claim Objections**

The numbering of claims is objected to. Claims 31-54 have been amended to reflect proper dependency. Withdrawal of the claim objections is respectfully requested.

### **Rejection under 35 U.S.C. § 102**

Claims 1-4, 6, 8-12, 16-24, 27, 29-36, 39-44, 49, 50, and 53-54 are rejected under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent 5,247,575 to Sprague et al. (hereafter Sprague). This rejection is respectfully traversed.

Claim 3 is cancelled, rendering the rejection of claim 3 moot.

A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described in a single prior art reference. Verdegaal Bros. v. Union Oil Co. Of California, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). The identical invention must be shown in as complete detail as is contained in the ... claim. Richardson v. Suzuki Motor Co., 868 F.2d 1226, 1236, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989). There must be no difference between the claimed invention and the reference disclosure, as viewed by a person of ordinary skill in the field of the invention. Scripps Clinic Research & Foundation v. Genentech Inc., 18 USPQ2d 1001, 1010 (Fed. Cir. 1991).

Sprague is directed to an information distribution system that provides user requested information to a user and then charges the user only for the selected information thus provided. However, Sprague does not disclose or suggest “[a] hardware upgrade for a set top terminal for use with a television program delivery system with menu selection of programs, the set top terminal having a microprocessor and microprocessor instructions for prompting generation of menus, the hardware upgrade comprising: an interface ...; a disc storage device connected to the interface providing local storage capacity; and a microprocessor connected between the interface and the disco storage device,” as recited in amended claim 1 (emphasis added). The hardware

upgrade as recited in amended claim 1 is an addition to an existing set top terminal and includes its own microprocessor. None of the cited references disclose or suggest a hardware upgrade providing local storage capacity using a disc storage device. Therefore, amended claim 1 is allowable.

Claims 2, 4, 6, and 8-10 are allowable because they depend from allowable claim 1 and for the additional features they recite.

With respect to claim 11, for at least the same reason as noted above with respect to claim 1, Sprague does not disclose or suggest “[a] set top terminal for use with a television program delivery system with menu selection of programs, the set top terminal having a microprocessor and microprocessor instructions for prompting generation of menus, the set top terminal comprising: ... a first hardware upgrade comprising: an interface ... a disc storage device connected to the interface providing local storage capacity; and a microprocessor connected between the interface and the disc storage device,” as recited in amended claim 11. None of the cited references disclose or suggest these features. Therefore, claim 11 is allowable.

Claims 12 and 16-22 are allowable because they depend from allowable claim 11 and for the additional features they recite.

With respect to claim 23, for at least the same reason as noted above with respect to claim 1, Sprague does not disclose or suggest “a set top terminal having a microprocessor and microprocessor instructions for prompting generation of menus and comprising: ... a hardware upgrade comprising: an interface ... a disc storage device connected to the interface providing local storage capacity; and a microprocessor connected between the interface and the disc storage device,” as recited in amended claim 23. None of the cited references disclose or suggest these features. Therefore, claim 23 is allowable.

Claims 24, 27, and 29-30 are allowable because they depend from allowable claim 23 and for the additional features they recite.

With respect to claim 31, for at least the same reason as noted above with respect to claim 1, Sprague does not disclose or suggest “[a] television terminal having a microprocessor and microprocessor instructions for prompting generation of menus, the television terminal comprising: ... a hardware upgrade comprising: an interface ... a disc storage device providing local storage capacity; and a microprocessor connected between the interface and the disc

storage device,” as recited in amended claim 31. None of the cited references disclose or suggest these features. Therefore, claim 31 is allowable.

Claims 32-36 and 39-40 are allowable because they depend from allowable claim 31 and for the additional features they recite.

With respect to claim 41, for at least the same reason as noted above with respect to claim 1, Sprague does not disclose or suggest “receiving subscriber input through an interface within a set top terminal, the set top terminal having a microprocessor and microprocessor instructions for prompting generation of menus ... accessing data using a disc storage device and a microprocessor located on a hardware upgrade, wherein the disc storage device provides local storage capacity,” as recited in amended claim 41. None of the cited references disclose or suggest these features. Therefore, claim 41 is allowable.

Claims 42-44, 49-50, and 53-54 are allowable because they depend from allowable claim 41 and for the additional features they recite. Withdrawal of the rejection of claims 1-2, 4, 6, 8-12, 16-24, 27, 29-36, 39-44, 49, 50, and 53-54 under 35 U.S.C. § 102(e) is respectfully requested.

#### **Rejection under 35 U.S.C. § 103**

Claims 5, 37-38, 45-48, and 51-52 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Sprague in view of U.S. Patent 5,253,066 to Vogel (hereafter Vogel). This rejection is respectfully traversed.

To establish a *prima facie* case of obviousness ... the prior art reference (or references when combined) must teach or suggest all of the claim limitations. In re Vaeck, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991) and MPEP § 2142. If an independent claim is nonobvious under 35 U.S.C. § 103, then any claim depending therefrom is nonobvious. In re Fine, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and MPEP § 2143.03.

Vogel is directed to a TV recording and viewing control system. However, Vogel does not cure Sprague’s defect and does not disclose or suggest a hardware upgrade that is an addition to a set top terminal and that provides local storage capacity using a disc storage device. These features are recited in amended claims 1, 11, 23, 31, and 41. Since none of the cited references disclose or suggest each and every element of the claims, a combination of the cited references also does not teach or suggest each and every element of the claims. Therefore, claims 1, 11, 23, 31, and 41 are allowable over Sprague and Vogel.

Claims 5, 37-38, 45-48, and 51-52 are allowable because they depend from allowable claims 1, 31, 41, and 41, respectively, and for the additional features they recite. Withdrawal of the rejection of claims 5, 37-38, 45-48, and 51-52 under 35 U.S.C. § 103(a) is respectfully requested.

Claims 7, 14-15, 25-26, and 28 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Sprague. This rejection is respectfully traversed.

Claim 14 is canceled, rendering the rejection of claim 14 moot.

Claims 7, 15, 25-26, and 28 are allowable because they depend from allowable claims 1, 11, 23, and 23, respectively, and for the additional features they recite. Withdrawal of the rejection of claims 7, 15, 25-26, and 28 under 35 U.S.C. § 103(a) is respectfully requested.

Claim 13 is rejected under 35 U.S.C. § 103(a) as being unpatentable over Sprague in view of U.S. Patent 5,192,999 to Graczyk (hereafter Graczyk). This rejection is respectfully traversed.

Graczyk is directed to a multipurpose computerized television system that generates a plurality of video images in association with a personal computer. However, Graczyk does not cure Sprague's defect and does not disclose or suggest a hardware upgrade that is an addition to a set top terminal and that provides local storage capacity using a disc storage device. These features are recited in amended claims 1, 11, 23, 31, and 41. Since none of the cited references disclose or suggest each and every element of the claims, a combination of the cited references also does not teach or suggest each and every element of the claims. Therefore, claims 1, 11, 23, 31, and 41 are allowable over Sprague and Graczyk.

Claim 13 is allowable because it depends from allowable claim 11 and for the additional features they recite. Withdrawal of the rejection of claim 13 under 35 U.S.C. § 103(a) is respectfully requested.

New claims 55-57 are allowable because they depend from allowable claim 1 and for the additional features they recite. For example, none of the references disclose or suggest "the hardware upgrade is a card insertable into the set top terminal," as recited in new claim 55 (emphasis added). Similarly, none of the references disclose or suggest "the hardware upgrade allows use of interactive multi-media education applications," as recited in new claim 56. Likewise, none of the references disclose or suggest "the hardware upgrade interacts with live programming and provides context sensitive interactivity," as recited in new claim 57.

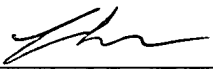
### Conclusion

In view of the above remarks, Applicants respectfully submit that the application is in condition for allowance. Prompt examination and allowance are respectfully requested.

Should the Examiner believe that anything further is desired in order to place the application in even better condition for allowance, the Examiner is invited to contact Applicants' undersigned representative at the telephone number listed below.

Respectfully submitted,

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